

LEGAL MANAGEMENT

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CM Feature

COMMUNICATION & ORGANIZATIONAL MANAGEMENT

Starting the Six Sigma Revolution at Your Firm

Find out how the Six Sigma philosophy fits into the legal industry

In recent years, law firms have made some fairly significant structural changes. More than half — 67.4 percent — of firms have changed or are considering changing their strategic approach to lawyer staffing, including using part-time help and outsourcing functions, to remain competitive in the industry, according to legal industry consultant Altman Weil's 2015 [*Law Firms in Transition*](#) survey.



ERIN BRERETON
Owner, Chicago Journalist Media

"What surprised us was some of our clients were really intrigued, as well. They appreciated the fact we were able to focus on critical issues, as opposed to just doing things the way they'd always been done."

PAUL MATTAINI
Partner, Barley Snyder

Thirty-one percent decreased the number of equity partners in 2014; and, as *Legal Management* noted in "[*The Current State of the C-Suite*](#)," a number have also created new Chief Executive Officer (CEO), Chief Marketing Officer (CMO) and other C-level roles, often filled by business professionals from corporations.

Bringing in external executives from other industries to help manage operations is just one way firms can borrow from the business world.

Firms that also choose to implement the Six Sigma principles — developed in 1986 by [*Motorola*](#) to improve operations — can use the methodology to streamline processes, eliminate redundancies and ultimately, increase profitability.

Sigma practices can, according to Catherine Alman MacDonagh, Chief Executive Officer and Founder of the Legal Lean Six Sigma Institute, result in considerable cost savings and revenue enhancement.

One AmLaw 100 firm MacDonagh worked with was able to add \$2 million to its bottom line for every 1 percent of timekeeping process improvements it made.

"[That was] without adding any work infrastructure — just doing a better job of keeping time for work they were already doing," she says. "These projects can return millions."

SIX SIGMA: DEFINED

Six Sigma involves improving processes to increase performance and reduce variation in the products or services an organization provides, according to the 75,000-member professional



association the American Society for Quality (ASQ). The likelihood of errors is removed from the production process, and the organization delivers a stronger end result.

Some organizations have also embraced a similar method, Lean Six Sigma, which ASQ defines as “a philosophy of improvement that values defect prevention over defect detection.”

Six Sigma and Lean Six Sigma programs are often implemented by team members, who are given martial arts-esque names such as Black Belts and Green Belts.

QUICK HIT 1

Sigma practices can, according to Catherine Alman MacDonagh, Chief Executive Officer and Founder of the Legal Lean Six Sigma Institute, result in considerable cost savings and revenue enhancement. “These projects can return millions,” she says.

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**RAFAEL
ZAHRALDDIN-
ARAVENA**

Shareholder, Director and
Chair, Elliott Greenleaf



Although there is some overlap, and often some confusion about the two methods, Lean Six Sigma, according to ASQ, tends to focus more on eliminating waste, whereas Six Sigma focuses more on quality control.

“The two recently have been talked about sort of synonymously, but they’re really two types of methodologies,” says Kevin Divine, Chief Information Officer (CIO) and Director of Six Sigma at Hunoval Law Firm, which services clients in Virginia, North Carolina and South Carolina.

If Divine is working with someone who’s highly analytical, he often directs them toward the more statistical tools Six Sigma offers; if the person skews more toward common-sense thinking, he emphasizes Lean Six Sigma principles.

“Lean Six Sigma tools focus on simplification and eliminating waste,” he says. “You don’t have to be a mathematician to do a lot of Lean methods.”

Divine, who’d received Black Belt training years before when working with GE, was originally hired to work on a tech consulting project for the 12-attorney Hunoval Law Firm, which employs roughly 70 staff members.

After setting up tools to help the firm track key performance indicators — and improving the amount of time it took to file first legal notice for a foreclosure by more than 80 percent — Hunoval brought Divine in-house to create a Green Belt training program.

The firm’s real estate and foreclosure business, which involves a significant amount of scanned documents and repetitive paperwork, lends itself to Six Sigma practices, according to Divine. However, the litigation department, too, benefitted from Six Sigma implementation.

QUICK HIT 2

Six and Lean Six Sigma processes can help firms better understand how clients work, strengthening their relationship. “We wouldn’t be having these conversations if we weren’t examining the work using the Six Sigma principles,” says Rafael Zahralddin-Aravena, Shareholder and Director at Elliott Greenleaf.

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KEVIN DIVINE

Chief Information Officer
and Director of Six Sigma,
Hunoval Law Firm



“Even on cases that are completely different, you go through a certain similar set of steps,” he says. “You receive a referral from a client, and then go through a discovery period — it just involves breaking whatever you’re doing down into some process steps.”

A SELLING POINT FOR LAW FIRMS

Although Six Sigma was originally associated with manufacturing, its emphasis on quality control and process improvement is just as applicable to the legal industry.

Six Sigma can, for example, help firms get a better grip on client needs. Some clearly are trying to: More than half — nearly 60 percent — have initiated conversations about matter management efficiency to better understand what clients want, according to Altman Weil’s most recent [*Law Firms in Transition*](#) survey.

Although the entire legal industry hasn’t adopted Six Sigma use yet, MacDonagh, a former corporate counsel, says it’s been gaining ground for at least 10 years.

“I don’t mean to imply firms that are just starting to focus on it are late to the party,” she says. “But let’s just say they don’t have to worry about being first.”

Most of the firms that contact MacDonagh are interested in increasing efficiency and value — for both the firm and its clients, who are looking for legal service providers that proactively add value to their relationship.

“Every client survey says, ‘We want lawyers who speak our same language and are our business partners,’” MacDonagh says. “We’re seeing RFPs [request for proposals] now come out of clients that say they don’t want law firms to just tell them about their own process improvements or project management, clients are saying to firms, ‘We want you to tell us what you can be doing better.’”

At some firms, Six Sigma has proven to be a valuable marketing tool.

When Pennsylvania-based firm Barley Synder, which employs more than 65 attorneys, decided to formally implement Lean Six Sigma principles around 2008, the firm began by using the term “practice excellence” as a mantra.

“We really felt, when working on big legal projects, clients want to see more teamwork and planning, and Lean Six Sigma really focuses on seeing what’s going on and fixing it,” says HR Director Dorothy Rund.

Barley Synder had some Six Sigma-esque principles already in place, including a quality checklist and collaborative effort initiatives. The firm eventually hired consultants, who held training sessions on the Lean Six Sigma basics.

“We really wanted it to differentiate us — to try to really come to the party where the rest of the business world was, as opposed to recreating the wheel every time,” says Partner Paul Mattaini.

A representative from every practice group now reports to a champion — Mattaini is their leader — as part of the firm’s ongoing efforts to share new process and project management tips between teams.

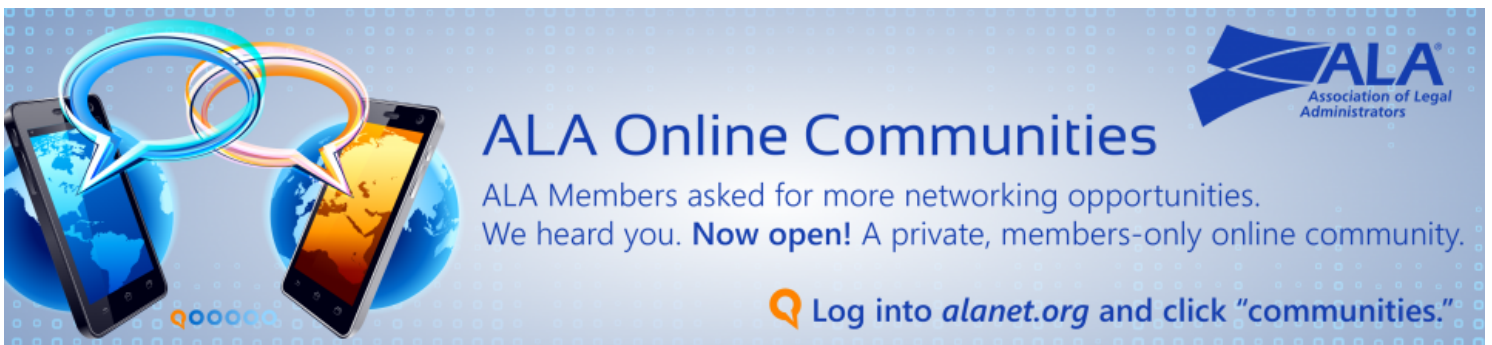
“What surprised us was some of our clients were really intrigued, as well,” Mattaini says. “They appreciated the fact we were able to focus on critical issues, as opposed to just doing things the way they’d always been done.”

In addition to improving processes, a well-promoted Six or Lean Six Sigma program can showcase a firm’s expertise and dedication to clients.

“It’s a value proposition; a way of branding — where and how we’re going to communicate with our clients throughout this process,” MacDonagh says. “[It’s saying], ‘This is how our firm delivers this particular kind of work.’”

IMPLEMENTING SIX SIGMA

When Rafael Zahralddin-Aravena joined the 55-attorney Elliott Greenleaf law firm, based in Pennsylvania and Delaware, nearly a decade ago, he thought Six Sigma principles — which he’d used as part of the DuPont law firm network — would work well at the firm.



The banner features a blue background with a grid of small white dots. On the left, there are two smartphones, one showing a blue globe and the other a yellow globe, with colorful speech bubbles connecting them. On the right, the ALA logo is displayed, consisting of a stylized blue 'A' and the text 'ALA Association of Legal Administrators'. Below the logo, the text reads: 'ALA Online Communities', 'ALA Members asked for more networking opportunities. We heard you. **Now open!** A private, members-only online community.', and 'Log into alanet.org and click “communities.”' with a magnifying glass icon.

After learning about a Delaware manufacturing extension program that was looking to test out Six Sigma principles in the legal industry, Zahralddin-Aravena helped secure a grant from the state of Delaware. The firm matched the amount, in terms of facilities and hours — and began turning firm

employees into Green Belts.

Elliott Greenleaf held training sessions over the summer, at least two days a week for five or more hours, measuring functions, case time and other factors outside of class. By early fall, Six Sigma principles had been put in place at all levels.

"We trained all of our paralegals, our partners, even the receptionist took part in classes, because we wanted to make sure we were optimizing the performance of every person," says Zahralddin-Aravena, Shareholder, Director and Chair of the firm's Commercial National Bankruptcy and Restructuring Group. "It's not just about the lawyers."

For many firms, the training process can be an eye-opening experience. Sitting around a table and process mapping in a workshop isn't an everyday occurrence.

"They're typically surprised by two things: How much interest there is — they often have more people who want to come to the course than they realized — and that we do this kind of work cross-functionally," MacDonagh says. "It's often the first time people from different functions have ever really worked together like that."

Because Lean Six Sigma and Six Sigma involve process improvement, firms often need to learn more about how clients' businesses work, which can help strengthen your relationship.

"Sometimes, [for example], since Third Quarter results are important, we find out they'd like to get the matter settled between the Second and Third Quarter," Zahralddin-Aravena says. "We wouldn't be having these conversations if we weren't examining the work using the Six Sigma principles; you're not going to ask those types of questions unless you're doing things in a value-added way."



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SIX SIGMA'S LASTING EFFECT

Six Sigma's tangible benefits include cost savings, increased client communication and revenue enhancement; other practice pay-offs can include a marked increase in employee satisfaction levels, due to taking a more collaborative approach.

"People have said to us, 'This is the best experience I've ever had working at a law firm because I've never had the opportunity to be part of a truly diverse high-functioning team,'" MacDonagh says.

To ensure the program works, Six Sigma requires a thorough, company-wide change — just don't expect all staff members to jump on the Six Sigma train right away.

"All lawyers are very critical in the way they think about things, so you're always going to have a

Doubting Thomas,” Zahralddin-Aravena says.

Divine recommends using real-life examples and stressing how proposed process improvements will make attorneys’ lives better by reducing document errors and other issues.

“Their process will be easier, the review time will be shorter and they’ll have much more confidence in the product they’re delivering,” he says.

Chances are, clients will, too. “Six Sigma forces you to lay out the legal processes that most clients are completely divorced from,” Zahralddin-Aravena says. “It demystifies the law for clients; that’s part of the language they can understand.”

The result: Clients who are satisfied, instead of surprised.

“I don’t think I’ve ever had one of my bills challenged, or any sticker shock,” Zahralddin-Aravena says. “[Six Sigma] has really been invaluable in that sense — because it really does make happier clients.”

ABOUT THE AUTHOR

Erin Brereton is a Chicago-based freelance writer, editor and marketing consultant who has written about the legal industry, finance, business and other topics for the *Chicago Tribune*, *Legal Management*, *Commercial Law World* and other publications.

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